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Assistant Director for Research and Reports

12 January 1959

THRU : Chief, Economic Research, ORR  
Chief, Materials Division, ORR

Intelligence Value of Proposed [REDACTED] External Research Project 25X1A5a1

1. As a whole, the European Satellites possess a precarious agricultural base, and require imports of grain and other agricultural commodities from the USSR. This situation is particularly true of the Northern Satellites, Poland, East Germany and Czechoslovakia. The deficiencies of their agriculture limit Satellite efforts to increase food supplies and to improve living standards generally. The relationship of such difficulties to disaffection in the Satellites, actual and potential, is reasonably clear.
2. The proposed project will assist us in establishing the prospects for Satellite agriculture over the next 5-15 years. Increases in agricultural production in the European Satellites are to be achieved primarily by increases in the input of chemical fertilizers and agricultural machinery. M/AG has planned for completion during FY 59 an analysis of the effects of mechanization on agricultural production. However, at present, M/AG does not have the capability to analyze adequately the effects of inputs of fertilizer.
3. The analysis of the response of crops to fertilizer in the Satellites is a technical and time-consuming procedure, but one which is necessary before an accurate evaluation of planned increases in agricultural production can be made. The external research project on fertilizers should provide M/AG with the basic information with which to judge the total response of crops to a given amount of fertilizer.
4. The effect of fertilizers on crops will be utilized in conjunction with analysis of other inputs such as machinery, labor, seed, etc., to evaluate the long-term ability of selected Satellites to achieve their crop and livestock goals.

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ORR:D/M: [REDACTED] :lar/3011 (12 Jan 59)

cc: M/AG

CONFIDENTIAL

DRAFT DISPATCH

SUBJECT: External Research Project on Use of Fertilizer  
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REF : [REDACTED] 17 December 1958, SECRET

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1. Although M/AG is interested in [REDACTED] offer to undertake an external research project on fertilizers, we regret that no commitment can be made on such a project by 15 January. We will, however, proceed as rapidly as possible. For your information, there is no assurance that funds would be approved because of the great demand for external research funds in ORR this fiscal year, but believe it can be managed.

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2. In order to make the project of maximum usefulness, it would be desirable that [REDACTED] despite their reluctance, do research on Part II, Section B of the outline for at least East Germany and that the results of this research be given although not complete enough for publication. The study, Recent Developments of the World Fertilizer Market indicates some information is available on the consumption of fertilizers by specific crops for East Germany. On this basis, what can be done? Would you please explore with [REDACTED] how he plans to handle Section II-D since the information for II-B is not available. Does this imply that he will use analogous areas in Western Europe? If so, what areas?

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3. Answers to your questions in reference despatch are as follows:

- A. Six copies would be required for ORR.
- B. There is normally no objection to the publication of such a study provided there is no attribution to contractor or restrictions to distribution within U.S. Government.
- C. Method of payment is flexible and could be made contingent upon the desires of the contractee.

4. It would be desirable to have a breakdown of how the contract price will be expended, e.g., salaries, reproduction costs, travel, fixed costs, etc. We would like to have this information as soon as possible in order to facilitate an early consideration of the project.

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